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OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made	e this <u>10^m day of _January</u>	, 2011, between	Rita Gunn, a single woman	_, Lessor (whether one o
more), whose address is: _	=29492916 Hartwood Drive, F	Fort Worth, TX 76109	and XTO Energy Inc., whose address	is: 810 Houston St., For
Worth, Texas 76102, Less	ee, WITNESSETH:			

1.521 acres of land, more or less, of a called 1.16 acres, situated in the Thomas White Survey, A-1636, Tarrant County, Texas, being all of Lots 1 and 2, Block 1, Rita Gunn Subdivision, according to the Plat thereof recorded at Document No. D210165230, Official Public Records, Tarrant County, Texas, and being more particularly described in that certain Gift Deed dated May 3, 1993, from Francis Gunn, a widow to Robert F. Gunn, as his separate property and estate, as recorded in Volume 11040, Page 515, Official Public Records, Tarrant County, Texas.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land sacres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 (three) years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- 3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 25% of the cost of treating oil to render it marketable pipe line oil, (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, 25% of the cost of the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well or said land or on the manufacture of gasoline or other products, the market value, at the mouth of the well or said land or on the manufacture of gasoline or other products, the market value, at the mouth of the products which wells are shut-in, and thereafter the said land or on the products which wells are shut-in, and t
- A. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, clease, or leases, as to any or all minerats or horizons, so as to established units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than cassinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir. (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. Should governmental authority having jurisdiction or permitted by governmental regulations. Lessee shall exercise said option as to each desired unit by executing an instrument or instrument or instruments but if said instrument or instruments make no such provision, then such unit shall become effective as of the date provided for in said instrument or instruments are so filled of record. Each of said options may be exercised by Lessee at any time and from time to time while this clease is in force, and whether before or after operations or production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land our unit operations, which the number of surface acres in such land for in each such unit (or to each separate tract within the unit which are our intoperations, which the number of surface

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separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR(S)) 			
Rita Gunn				
STATE OF TEXAS	}	(ACKNOWN EDCMENT)		
COUNTY OF TARRANT	} ss. }	(ACKNOWLEDGMENT)		
This instrument was acknowledged before me on the day of				
BRETT AUSTIN NOTARY PUBLIC State of Tome Comm. Exp. 09/20/2014		Notary Public State of Texas Printed <u>Barr Avsrid</u>		

<u>ADDENDUM</u>

(NON-SURFACE USE)

Attached to and made a part of Oil, Gas and Mineral Lease dated ________, 2010, by and between Rita Gunn, as Lessor, and XTO Energy Inc., as Lessee. It is understood and agreed by all parties that the language on this Addendum supersedes any provisions to the contrary in the printed lease hereof.

- 15. Lessee or the purchaser of oil and/or gas or other products produced from the leased premises will pay to Lessor the royalties provided for herein within the time provided in §91.402 of the Natural Resources Code of the State of Texas and upon failure to pay within the stated time to pay interest thereon as provided in §91.403 of the Natural Resources Code of the State of Texas.
- 16. Anything herein to the contrary notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.
- 17. It is expressly understood and agreed that Lessor is granting rights to Lessee that Lessor would not grant to others. Therefore, if Lessee intends to assign or sublease any of its right, title and interest in this lease, Lessee shall deliver to Lessor a file stamped copy of such assignment with ninety (90) days of its recordation.
- 18. If production should cease from any pooled unit, this lease shall terminate as to all lands and depths included within such unit unless Lessee commences drilling or reworking operations on such unit within ninety (90) days and pursues such operations with due diligence on the same or successive wells with no cessation of operations greater than ninety (90) consecutive days; and if production is restored from such unit, this lease shall remain in effect as to the lands and depths included therein as long as oil or gas is produced in paying quantities from such unit. If the well or wells drilled or reworked by Lessee on such unit are completed and produce from a different zone or zones then the well originally completed on such unit, and if the Railroad Commission rules applicable to such newly productive zone provides for density of drilling less than the density rules applicable to the original well, then such new well or wells shall maintain this lease in force only as to the new pooled units, and only as to depths down to one hundred feet (100') below the base of the deepest production interval in such well; and Lessee shall, upon completion of its continuous drilling or reworking operations on such unit, release all lands and depths within the previous unit no longer held by production from the new well or wells on such unit.
- 19. Upon written request by Lessor, at the termination of this Lease, as to any part of the leased premises, Lessee, his heirs or assigns, at Lessee's sole expense, shall prepare and publicly record a release within 90 days of such termination, and shall provide one (1) file stamped copy of release to Lessor.
- 20. Lessee agrees to indemnify and hold Lessor harmless from any and all liability, damages, environmental damages, reasonable attorney's fees, expenses, causes of action, suits, claims or judgments of any kind or character for injury to persons or property caused by Lessee's operations on the subject lands or lands pooled therewith.
- In the event Lessor should own less than the entirety of the oil and gas under any portion of the Premises, then the royalties due Lessor on production from said portion of the Premises shall be reduced to the proportion thereof that Lessor's interest in such oil and gas in said portion bears to the entirety of the oil and gas thereunder. In this regard, this lease is granted to cover Lessor's interest in the oil and gas in said lands owned by others, if any, as to which Lessor has the right and authority to grant a lease to the extent such interests in the oil and gas in said lands owned by others are not presently subject to any other valid and subsisting oil and gas lease.
- 22. If Lessee shall require the execution of a division order for payment of royalty payable under the Lease, then the only form of division order permitted for Lessee's use shall be such form promulgated by the State of Texas and set forth in Section 91.402(d), of the Texas Natural Resource Code as amended from time to time.
- 23. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that, in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all the leased premises will be included in such pool or unit.

- 24. Anything herein to the contrary, this Lease includes only those lands described in this Lease and does not include any land owned or claimed by Lessor that is adjacent or contiguous to the land described in this lease except such mineral interests that may lie under adjacent streets, roads, easements, rights of way or alleys.
- 25. Lessee's operations shall be conducted in compliance with the regulations of the Texas Railroad Commission and any other Federal, State or Municipal authority having enacted rules, regulations or statues pertaining to Lessees' operations or conduct on the premises or lands pooled therewith.
- 26. Should Lessee be prevented by reason of Force Majeure from complying with any express or implied covenant of this lease (other than a requirement to pay money), from conducting drilling or reworking operations on the leased premises or on lands pooled therewith, or from producing oil or gas, then while so prevented, that covenant will be suspended; Lessee will not be liable for damages for failure to comply therewith; this lease will be extended so long as Lessee is prevented from conducting drilling or reworking operations on or from producing oil or gas from the leased premises or lands pooled therewith; and the time while Lessee is so prevented will not be counted against Lessee. "Force Majeure" means any Act of God; any federal or state law; any rule or regulation of governmental authority; scarcity or delay in obtaining materials, equipment, or labor; delays in obtaining permits; or other causes beyond the control of Lessee (other than financial reasons). Force Majeure shall extend this lease for a reasonable period of time beyond the end of the actual Force Majeure, in order for Lessee to prepare for and to proceed with conducting the desired operations on or from producing oil or gas from the leased premises.
- 27. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this lease. Lessee shall then have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said Lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder.
- 28. Venue for any legal proceedings pertaining to this lease shall be in Tarrant County, Texas, where all obligations under this Lease are performable.
- This oil and gas lease is made and accepted without covenants or warranty of title of any kind. 29. Lessee at its option may pay and discharge any taxes due levied or assessed on or against the leased premises, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Notwithstanding anything contained herein to the contrary, neither Lessee nor Lessee's assigns shall ever require a subordination, partial release of lien, release of lien, consent or other documentation from any lender of Lessor that has a lien on said land as a condition to Lessor receiving any subsequent royalty payment, unless the wellbore penetrates the leased premises or is located within 330 feet from the leased premises, in which case Lessee shall notify Lessor. However, Lessor will cooperate with any reasonable effort of Lessee, at Lessee's sole expense, to obtain same from Lessor's lender on behalf of Lessor. In the event Lessee is unable to obtain a subordination agreement from any lien holder of a lien affecting the leased premises which is filed of record as of the effective date of the this Lease, Lessee is hereby permitted to discharge such mortgage, or lien or interest and other charges on the leased premises, and in the event Lessee does so, Lessee will have the option of applying the royalties accruing to Lessor toward payment of same and Lessee shall be subrogated to the rights of the holder thereof.
- 30. Notwithstanding any provisions hereof to the contrary, it is expressly agreed and understood that Lessee shall have no right to maintain this lease in force after the expiration of the primary term hereof by payment of shut-in gas royalty under the provisions of printed Paragraph 3 for any period exceeding twenty-four (24) consecutive months.
- 31. Lessor's royalty shall be calculated free and clear of costs and expenses for exploration, drilling, development and production, including, but not limited to, dehydration, storage, compression, separation by mechanical means and product stabilization, incurred prior to the oil, gas and other mineral production leaving the leased premises or prior to delivery into a pipeline or gathering system, whichever occurs first; provided, however, (a) Lessee shall have free use of

produced oil and gas for operations conducted on the leased premises or lands pooled therewith, and the royalties on oil and gas herein provided shall be computed after deducting any so used, and (b) Lessor's royalty shall bear its proportionate share of all ad valorem taxes and production, severance and other taxes and the actual, reasonable costs (including compression and related fuel charges) paid to or deducted by an unaffiliated third party to transport, compress, stabilize, process or treat the oil, gas and other mineral production off the leased premises in order to make the oil, gas and other mineral production saleable, increase its value or in order to get the oil, gas and other mineral production to a market.

An affiliate of Lessee shall be defined as any corporation, firm or other entity in which Lessee, or any parent company, subsidiary or affiliate or Lessee, owns greater than 10% interest, whether by stock ownership or otherwise, or over which Lessee or any parent company, subsidiary or affiliate of Lessee exercises effective control, directly or indirectly, by ownership, substantial interlocking directorate, common officers, or in any other manner; and any corporation, firm or other entity which owns any interest in Lessee, whether by stock ownership or otherwise, or which exercises effective control, directly or indirectly, over Lessee, by stock ownership, substantial interlocking directorate, common officers, or in any other manner.

SIGNED FOR IDENTIFICATION:

LESSOR:

Return to: Bryson G. Kuba 6127 Green Jacket Dr. Apt. # 1136 Fort Worth, TX 76137